



National Security Working Group

Special Policy Brief: President Obama's "Crippling" Iran Sanctions: Rhetoric or Realism?

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There are two forms of American foreign policy negotiations: substantive discussions where our adversaries know we mean business, and political theater meant only for domestic consumption -- always at the expense of America's self-interest -- where our adversaries understand the game and play along. Unfortunately, the Obama White House once again engaged in the latter after the United Nations Security Council passed a sanctions resolution that will in no way impede Iran's nuclear program.

Main Points of U.N. Resolution 1929:

- Adopted on June 9, 2010, by a vote of 12-2 (Turkey and Brazil opposed) with one abstention (Lebanon)
- It adds 15 Iranian firms affiliated with the Revolutionary Guard firms to the list of U.N.-sanctioned entities under Guard control. Twenty-two other Iranian entities, including the "First East Export Bank," and one individual were also added to the list;
- It makes mandatory a ban on travel for Iranians named in it and in previous resolutions;
- It authorizes countries, subject to the concurrence of the country that owns the ship, to inspect shipments on the high seas if a shipment is suspected to include contraband items;
- It prohibits countries from allowing Iran to invest in uranium mining and related nuclear technologies, or nuclear-capable ballistic missile technology;
- It bans sales to Iran of most categories of heavy arms, but allows delivery of Russia's S-300 air defense missile system;
- It requires countries to insist that their companies refrain from doing business with Iran *if* there is reason to believe that such business could further Iran's WMD programs;
- It requests, but doesn't mandate, that countries prohibit Iranian banks from opening in their countries, or for their banks to open in Iran, *if* doing so could contribute to Iran's WMD activities; and
- The resolution sets up a "panel of experts," which would assess the effectiveness of the resolution and previous Iran resolutions, and suggest ways of more effective implementation. (CRS RL 32048)

Inadequate Sanctions: There is no ban on investment in Iran's petroleum sector. With one exception, there is no ban on banking with Iran, foreign investment in Iranian bonds, insurance for Iranian shipping, or the provision of trade credits to Iran. In short, the resolution will cause minimal economic hardship for the regime, and, like the preceding three U.N. measures, will do little or nothing to impede the regime's march toward a nuclear military capability. Those provisions that in some way restrict Iran's conduct are easily circumvented through the use of front organizations and alternate banking relations.

Administration Backs Down: In order to pass this resolution, the Obama administration, due to long-standing objections from Russia and China, jettisoned every proposal that might actually harm Iran's economy. But this should come as no surprise. President Obama knew over a year ago that neither country would support sanctions that might persuade Iran to halt its nuclear program if those sanctions would also harm their own economies.

President Obama and Secretary Clinton appear to be the only two officials who believe that passage of Resolution 1929 will impede Iran's nuclear program. President Obama said it "...will put in place the toughest sanctions ever faced by the Iranian government." Yet none of the previous three resolutions accomplished anything of note. Secretary Clinton used to speak of "crippling sanctions," yet today speaks of "sanctions that bite." Resolution 1929 has no bite and some conservatives have expressed that if all the Obama administration could accomplish in 16 months of negotiations was this, we would have been better off had they done nothing.

Congressional Action: The House version of the decidedly tougher Iran Sanctions Act (ISA, H.R. 2194) would, in contrast to the U.N. resolution, accomplish the following: It would fully implement and enforce the 1996 ISA law to encourage foreign governments to direct that all state-owned and privately-owned entities cease all investment in and support for Iran's energy sector and all exports of refined petroleum to Iran, and would impose sanctions on the Central Bank of Iran and any other bank in Iran that is engaged in proliferation activities or support of terrorist groups. The House bill would also greatly restrict the use of the President's waiver authority. For more information on H.R. 2194, [click here](#) to review the RSC analysis of the legislation.

Unfortunately, the Obama administration requested that Congress not debate the Iran Sanctions Act until after passage of the U.N. resolution. By putting ISA on the back burner, the Obama administration delayed progress on sanctions with actual substance, opting instead to throw its full support behind the decidedly weaker Security Council resolution, presumably in hopes of obtaining a "public relations victory" following passage of toothless U.N. sanctions.

The longer the Obama White House persists with its theater-brand of foreign policy, the more difficult it becomes not to conclude that the President lacks the will to prevent Iran from acquiring nuclear weapons. The word most associated with the policies of English Prime Minister Chamberlain is appeasement; given the course of recent events, the word we will probably most associate with President Obama is acquiescence.

Consequences of a Nuclear Iran: The President has espoused his vision of a world free of nuclear weapons, and was, in part, awarded a Nobel Peace Prize for his advocacy. Ironically, the President is allowing Iran, the world's leading sponsor of terrorism, to become a nuclear power, a major consequence of which would be the end of the Non-Proliferation Treaty, the near certainty that Saudi Arabia, Egypt, and Turkey would acquire their own nuclear weapons, and the passing of any hope for an Israeli-Arab peace accord.

Conclusion: We are rapidly approaching the point where President Obama must decide if his vision of a nuclear-free world is merely rhetoric or if he is going to prevent Iran from acquiring nuclear weapons. The Iranian regime has demonstrated beyond doubt that it is determined to become a nuclear power. If we are to prevent that from happening, then President Obama must be equally determined to stop them. He has given no indication to date that would lead anyone to believe he is possessed of such determination.

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